



Voluntary Report - public distribution

Date: 7/30/2003

GAIN Report #BG3004

## **Bangladesh**

### **Grain and Feed**

### **Update - August**

**2003**

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#### **Report Highlights:**

**The 2003/04 rice production forecast is revised down by 1 million tons to 25.5 million tons, due to potential losses from heavy rains. CY 2003 rice imports are estimated higher at 1.1 million tons.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1], BG

## 2003/04 Rice Production Down

Post's 2003/04 rice production forecast is revised downward to 25.5 million tons, on account of potential losses from recent heavy rains.

Based on official statistics, 2002/03 rice production is revised slightly down to 25.4 million tons from the previous estimate of 25.6 million tons, while remaining 4 percent above 2001/02 levels. It is comprised of 1.9 million tons of *aus* (planted in March/April and harvested in June/May), 11.1 million tons of *aman* (planted in June/July and harvested in November/December), and 12.4 million tons of *boro* (summer harvested) rice.

## 2002/03 Imports Higher

According to Bangladesh Food and Agriculture Ministry sources, rice imports in MY 2002/03 were 1.5 million tons, with 95 percent coming from India. Indian export data, however, do not reflect such large exports to Bangladesh. Post has revised the PSD tables to reflect this surge. CY 2003 imports are estimated at 1.1 million tons. Higher imports are attributed to:

- A drastic cut in the import duty from 37.5 percent to 7.5 percent and a reduction in the LC margin from 100 percent to 25 percent, with a view to arrest the rising domestic price.
- A large gap between the domestic rice price and the subsidized Indian export price.
- Increased formal rice imports from India being captured in statistics, reducing the typical illegal smuggling.

Ending stocks show concomitant strong growth, as traders hold product in anticipation of higher prices. Currently, there are no signs of oversupply in the market. The very strong imports seen in 2002/03 are unlikely to be repeated in 2003/04, as this year's ending stocks should inhibit further large scale imports.

## 2002/03 Wheat Production Lower, Imports Higher

The 2002/03 wheat production estimate is revised downward to 1.6 million tons from the previous estimate of 1.8 million tons, due to losses caused by heavy rains at harvest time. MY 2003/04 wheat production is forecast at 1.7 million tons.

The MY 2002/03 wheat import estimate is revised up to 1.5 million tons, due to increased imports of cheaper Indian wheat. The current import duty on wheat is 7.5 percent, and the LC margin is 25 percent.

Table 1: Commodity, Wheat, PSD Table

PSD Table							
Country:	Bangladesh						
Commodity:	Wheat						
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/2001		07/2002		07/2003	(MONTH/YEAR)
Area Harvested	750	750	778	778	800	800	(1000 Hectares)
Beginning Stocks	600	600	600	600	350	445	(1000 MT)
Production	1610	1610	1750	1550	1750	1650	(1000 MT)
TOTAL Mkt. Yr. Imports	1565	1565	1100	1450	1300	1500	(1000 MT)
Jul-Jun Imports	1565	1565	1100	1450	1300	1500	(1000 MT)
Jul-Jun Import U.S.	214	214	0	194	0	150	(1000 MT)
TOTAL SUPPLY	3775	3775	3450	3600	3400	3595	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	3175	3175	3100	3155	3100	3250	(1000 MT)
Ending Stocks	600	600	350	445	300	345	(1000 MT)
TOTAL DISTRIBUTION	3775	3775	3450	3600	3400	3595	(1000 MT)

Table 2: Commodity, Rice, Milled, PSD Table

PSD Table							
Country:	Bangladesh						
Commodity:	Rice, Milled						
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/2001		07/2002		07/2003	(MONTH/YEAR)
Area Harvested	10,987	10,987	10,900	11,059	11,100	11,100	(1000 Hectares)
Beginning Stocks	1,400	1,400	400	400	350	1,110	(1000 MT)
Milled Production	24,310	24,310	26,000	25,360	26,500	25,500	(1000 MT)
Rough Production	36,469	36,469	39,004	38,044	39,754	38,254	(1000 MT)
Milling Rate(.9999)	6,666	6,666	6,666	6,666	6,666	6,666	(1000 MT)
TOTAL Imports	243	243	650	1,450	600	600	(1000 MT)
Jan-Dec Imports	311	552	700	1,100	500	450	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	25,953	25,953	27,050	27,210	27,450	27,210	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	25,553	25,553	26,700	26,100	26,950	26,400	(1000 MT)
Ending Stocks	400	400	350	1,110	500	810	(1000 MT)
TOTAL DISTRIBUTION	25,953	25,953	27,050	27,210	27,450	27,210	(1000 MT)